

“Data on Employment of People with Disabilities”

A Report on Deliverables 1B, 2B, 3B and 4B Prepared for:

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Section I. An Overview of the Data Set for Examining the Employment of Applicants for Virginia's Public-Sector Vocational Rehabilitation Program in Fiscal Year 2000

The purpose of Tasks 1B, 2B, 3B, and 4 is to build on the previous report on Tasks 1A-3A. This initial report from the "Data on Employment of People with Disabilities" project, delivered on September 1, 2003, examined various employment outcomes and health insurance coverage for persons with disabilities who had applied for Virginia's public-sector vocational rehabilitation (VR) program. The report used a longitudinal file of applicants for VR services from the Department of Rehabilitative Services (DRS) between July 1, 1987 and June 30, 1988 (State Fiscal Year (FY) 1988). The applicant's case service records for this and any subsequent VR episodes were tracked through June 30, 2000. This file was merged with another file obtained from the Virginia Employment Commission (VEC) containing the individual's quarterly earnings records from 1985 through 2000. These 16 years of earnings records were "aligned" around the date of application to provide three years of pre-application earnings, earnings during the year of application, and 12 years of post-application year earnings. The latter interval was decomposed into four three-year periods. Analysis was then conducted on various health coverage issues using these five distinct three-year intervals to examine employment outcomes.

One problem that emerged from the analysis was the poor quality of the data pertaining to reported private-sector health insurance coverage. The federal Rehabilitation Services Administration (RSA) Case Service Report (RSA-911) asked about both medical insurance availability and coverage. Availability meant whether the person had medical insurance available through employment. The three responses could be that the person was: 1) employed but had no insurance available, 2) had insurance through employment, and 3) not working. Coverage meant whether the person enrolled in the plan and therefore had medical insurance coverage through this employment. The response was either yes or no. There was a great deal of confusion in responding to this series of questions.

The RSA modified its RSA-911 annual report on case closures in response to new reporting requirements of the Rehabilitation Act amendments of 1998. Several of these revisions pertained to the reporting of health insurance coverage at the time of both application and termination from the state/federal VR program. The questions on health insurance availability and coverage were dropped. In their place, information is now recorded at both application and "closure" on whether the individual was on one of five types of health care coverage: 1) Medicare; 2) Medicaid; 3) Workers' Compensation; 4) employer's private insurance; or 5) other private insurance. There are also new employment-related questions pertaining to competitive employment status. The RSA directive ordering the revisions was issued on March 16, 2000 in time for state agencies to report their state FY 2001 (July 1, 2000 - June 30, 2001), which was due November 30, 2001, in the new format.

The current report for Tasks 1B-4 uses a new cohort of 10,411 DRS applicants during FY 2000, covering the period from July 1, 1999 through June 30, 2000. This period was chosen to provide both a sufficient period of pre-application as well as post-application earnings intervals. VEC

earnings have been obtained starting with the third quarter of 1996 through the second quarter of 2003, spanning seven fiscal years. The overall “hit rate” was 86.3%, meaning that a person was tracked by the VEC in at least one of the 28 quarters of the sample timeframe.

These seven years of calendar earnings are then “aligned” around the fiscal year in which the DRS application took place. This process results in three separate earnings periods that are consistent with the reporting in Deliverables 1A-3A:

- 1) three years of 12 quarterly earnings periods prior to the year of application (from July 1, 1996 through June 30, 1999),
- 2) four quarters of earnings during the year when the FY2000 cohort applied for DRS services (from July 1, 1999 through June 30, 2000); and
- 3) three years of 12 quarterly earnings periods following the year in which application took place (from July 1, 2000 through June 30, 2003).

The use of the FY 2000 *applicant* cohort and the new RSA reporting requirements implemented for persons *closed* from VR starting with FY 2001 results in some recording issues. This applicant cohort is caught in a transition period when some data elements were converted to the new reporting system. The initial applicant cohort files obtained from the Vocational Rehabilitation Information System (VRIS) in August of 2000 contained the variables pertaining to medical insurance coverage and availability. At this point only 20% of the applicant’s cases had been terminated from VR.

An updated version of these VRIS files was obtained in early December of 2003 to provide the most recent closure information. At this juncture 9,546 of the 10,411 cases (91.7%) had been closed. However, a revised applicant file that was provided at the same time had been re-formatted to reflect the updated RSA-911 reporting requirements. This applicant file no longer contained the two medical insurance coverage and availability variables.¹ Additionally, information on the insurance policy number was dropped. In their place were the five new binary variables pertaining to type of health care coverage discussed above. While three of these variables had been re-coded to the new values (i.e., Medicare, Medicaid, and Workers’ Compensation), the employer-provided and other private insurance variables were left blank since these data elements were only recorded for applicants after October of 2001.

¹There were 10,403 cases in the 2000 file and 10,411 cases in the updated applicant file. There were also some inconsistencies in the reported social security number for the two reporting periods for 129 cases. All such cases can no longer be used to match with VEC data. Finally, there were 93 persons with a second VR “case” in FY 2000. These “recidivist” cases were dropped to avoid double-counting the person.

This closure file only reflects the new reporting requirements for cases closed as of September of 2001. Thus, any closures prior to this period will have the old reported data elements and not reflect the new coding conventions. This is particularly unfortunate given the more detailed information on health care coverage available with the new reporting format. In particular, we don't have any information on the health care coverage at the time of closure from the VR program for a significant portion – some 70% -- of the cases closed in the 26-month interval from July of 1999 through August of 2001. And eight percent will have no closure information because they were still “open cases” in an active service status as of December of 2003. As a result we have an applicant file for the entire sample with a slightly different set of variables that are reported at the time of closure for the 92% of these applicants having a closure file.

Another problem with the new reporting system is that the RSA no longer requires that some information be collected on persons who are not accepted for service provision. For instance, we do not have the level of education for some 1,400 cases terminated prior to acceptance for VR services. In addition, the RSA does not require that health insurance status be recorded on the closure file. Thus, there are 1,306 cases reported as closed while an applicant, but before the determination of eligibility, for whom we have no health insurance coverage information.